

★ ★ ★ AMTRAK REFORM COUNCIL ★ ★ ★

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For More Information Contact:

Deirdre O'Sullivan

(202) 366-0631

February 7, 2002

For Immediate Release

**TODAY, THE AMTRAK REFORM COUNCIL RELEASES ITS
ACTION PLAN FOR THE RESTRUCTURING AND RATIONALIZATION
OF THE NATIONAL RAILROAD PASSENGER SYSTEM**

The Amtrak Reform Council, a federal commission created to oversee Amtrak's performance, today is submitting its recommendations to the Congress that it implement a fundamental reorganization of our nation's rail passenger program. The Action Plan calls for a new business model for Amtrak and the introduction of competition in train operations. The current corporation, National Rail Passenger Corporation (Amtrak), would be restructured into three entities: a federal oversight agency, a government-owned and operated corporation to control the infrastructure between Washington and Boston (Northeast Corridor) that Amtrak currently owns, and a train operating company. In addition, the Council is proposing that the federal oversight agency, after a transition period, have the ability to allow private companies to bid to operate some of the train routes that Amtrak currently runs.

The idea is to allow the train operating company (Amtrak) to focus on its core business of running trains and not be forced to focus on maintaining the Northeast Corridor with its 1200 trains a day (only 100 of those are Amtrak's), as well as its government functions. The Northeast Corridor infrastructure was given to Amtrak in 1976 and the Council believes that it is not a good fit. It is very expensive to maintain this corridor (The Council estimates between \$800 million and \$1 billion a year) and in the last three years, Amtrak has invested \$71 million in the infrastructure due to Amtrak's financial constraints.

"Amtrak has proven that it cannot focus effectively on its core mission of running trains and running them well," said Council Chairmen Gil Carmichael, "and under current law there is no one who can hold the railroad accountable. Amtrak has too much to do, and does little of it well. In addition, the Council believes separating the Northeast Corridor infrastructure from Amtrak's trains operating company is a must. Owning the Northeast Corridor is not good for Amtrak's financial statements and the Northeast Corridor is not benefiting by being owned by Amtrak."

History of the Council

In 1997, Congress debating de-funding Amtrak, and instead Congress gave it one more chance. The Amtrak Reform and Accountability of 1997 stated that Amtrak had to be operational self-sufficient by December 2002. In addition, it created the Amtrak Reform Council to monitor Amtrak's progress. In November 2001, the Amtrak Reform Council made a Finding that Amtrak had not made any progress. (See chart on the next page.) In January 2002, the Council met and decided on the basic elements of a restructuring plan. Today, the Council is releasing its final recommendation.

JM-ARC, Room 7105
400 Seventh Street, SW

Phone: (202) 366-0591

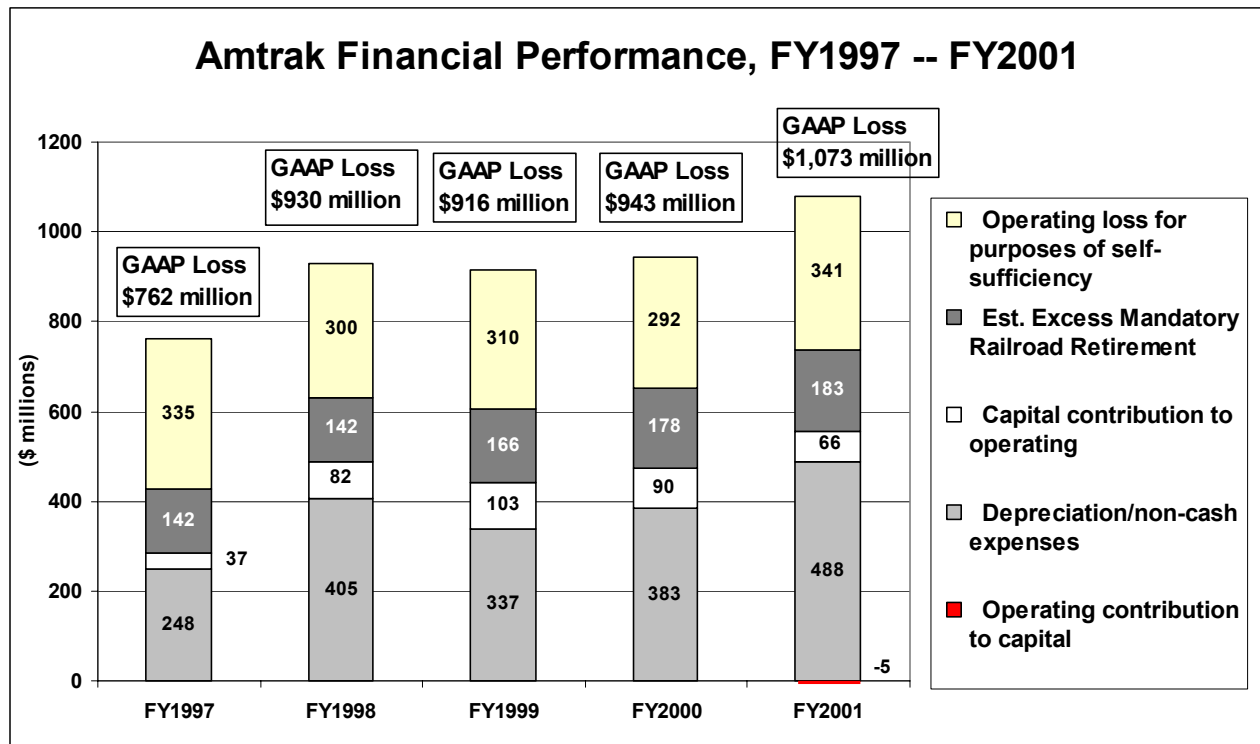
Fax: (202) 493-2061

Washington, DC 20590



The ARC is an independent federal commission established under the Amtrak Reform and Accountability Act of 1997 (P. L. 105-134)

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The Amtrak Reform Council will be testifying this spring before various Congressional committees to discuss the Plan. The Council will dissolve sometime in the spring and the office will be shut down.

Copies of the Action Plan will be available at the Press Conference. For more information regarding the Plan, please contact Deirdre O'Sullivan at (202) 366-0631. The Action Plan will also be available around 12:00 noon on February 7th on the website at www.amtrakreformcouncil.gov.

The Amtrak Reform Council is an independent Federal oversight commission established under the provisions of the Amtrak Reform and Accountability Act of 1997 (P. L. 105-134) to recommend improvements in Amtrak's operations and to monitor its financial performance.

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